

INTERIM RESULTS FOR THE HALF YEAR ENDED 29 DECEMBER 2007

February 2008

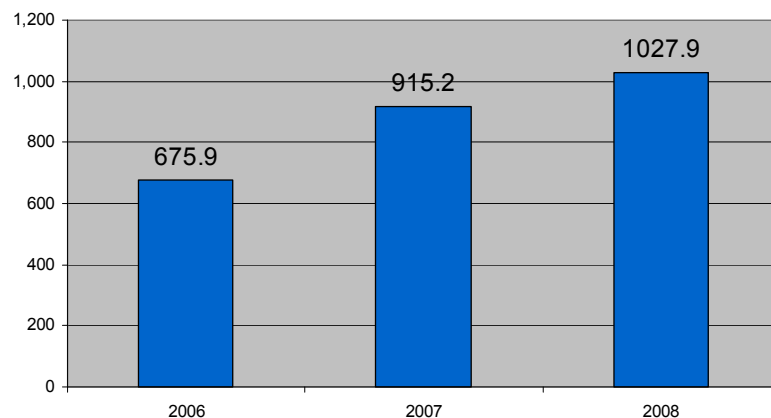
Go-Ahead

KEITH LUDEMAN
Group Chief Executive

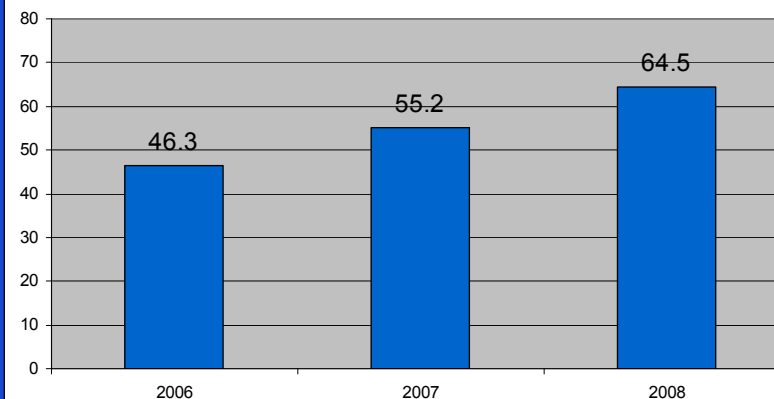
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H1 2007/08 – Good progress

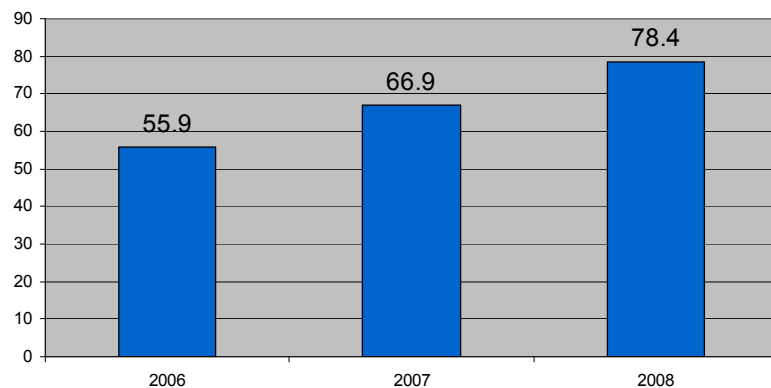
Revenue (£m)



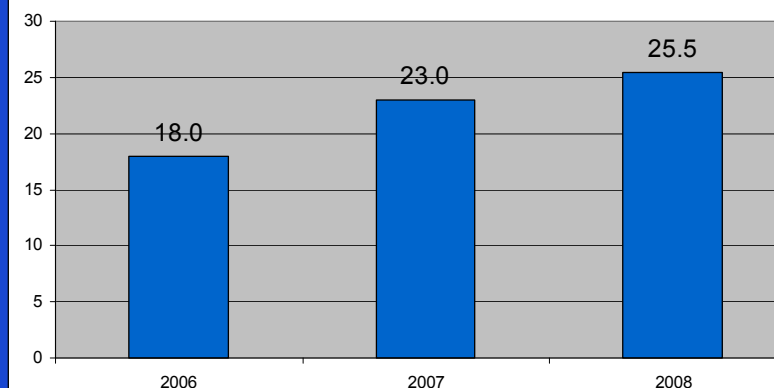
Profit before amortisation, exceptional items and tax (£m)



Adjusted earnings per share (pence)



Dividend per share (pence)



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Highlights

- Start-up of London Midland franchise on 11 November
- Acquisition of First Group's Orpington bus operations on 8 December
- North East bus acquisitions
- Strong revenue growth in bus and rail divisions
- Start-up of 5 year British Airways Ground Handling contract
- Aviation Division improvement



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Operating Profit – Sector Analysis

	Six months to Dec 07 £m	Six months to Dec 06 £m	Var	%
Bus	33.7	29.2	4.5	15.4%
Rail	31.4	25.6	5.8	22.7%
Aviation	(0.6)	0.4	(1.0)	n/a
Total Op Profit	64.5	55.2	9.3	16.8%

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Rail H1 2007/08

- Growth continues Revenue up 14.2% (£76.7m)
 Profits up 22.7% (£5.8m)

- London Midland contribution £49m revenue, £0.3m profit

	SN		SE	
	%		%	
• Passenger Growth	6.1	(9.1)	5.9	(7.0)
Revenue Growth	12.9	(14.1)	13.4	(12.4)

- Operating performance and customer satisfaction improving further
- Reduced subsidy / benefit share absorbed (£20.8m)
- Margins improved 4.7-5.1%



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London Buses H1 2007/08

- Revenue up by 11.9%
- Blue Triangle / Orpington
- Contract Wins / CPA
- Rail Replacement
- QIC 1 / 2
- Cost Control
- Profit improvement



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Deregulated Buses H1 2007/08

- Revenue increased by 8.7%
- Passengers by 2.5%
- Continued strong investment in buses, property, staff, systems
- Award winning marketing / network design
- Concessionary fares
- Acquisitions
- West Midlands
- Profit and margin up



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Aviation and Parking Division H1 2007/08 (1)

- Division Revenue up by £12m (9.8%)
- Profit recovery underway

Ground Handling

- Overall revenue up by £9.8m
- BA Contract impact significant
- + Qantas (T4) and others
- New management team



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Aviation and Parking Division H1 2007/08 (2)

Cargo

- Revenue up by 6.2% (£1.4m)
- LHR/LST ✓ LGW ✕
- Strengthened management team

Car Parking

- Period of consolidation / diversification
- Transactions up by 11.9%. Good growth at LHR/LST
- Profits up 21% on H1 2006/07



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NICK SWIFT
Group Finance Director

Go-Ahead

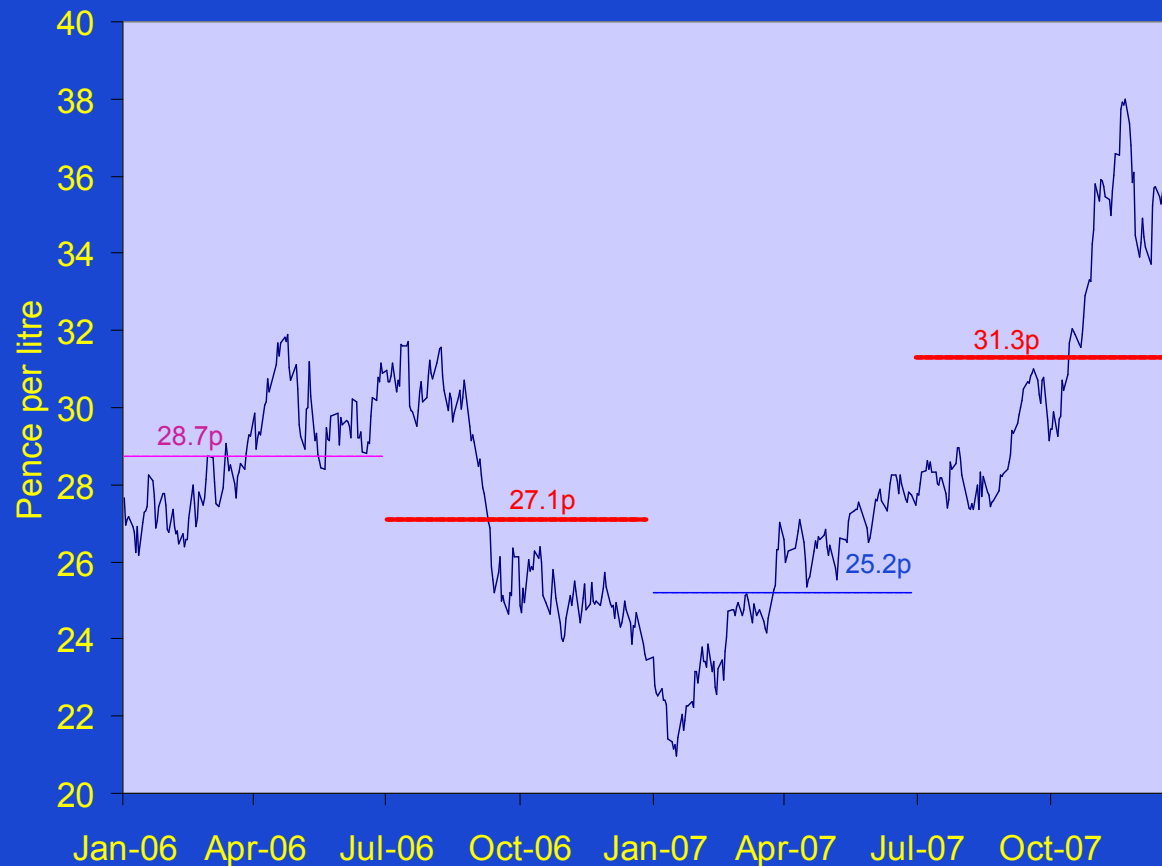
Summary income statement

£'m	Six months to Dec 07	Six months to Dec 06	%
Revenue	1,027.9	915.2	12.3
Operating profit*	64.5	55.2	16.8
Net finance costs	(6.2)	(4.3)	44.2
Profit before tax*	58.3	50.9	14.5
Amortisation	(4.9)	(4.0)	22.5
Exceptional items	(8.2)	-	n/a
Profit before tax	45.2	46.9	(3.6%)
Tax	(11.7)	(11.7)	-
Profit for the year	33.5	35.2	(4.8%)

* before amortisation and exceptional items

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Bus fuel



- H1 cost: + £1.7m
- H2 cost: + £4m (at 35p / litre)
- Currently no bus fuel hedged for 2008/09 or 2009/10

* H1 2007/08 compared to H1 2006/07

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Non rail pension costs

Non rail DB pension costs (£'m)

Service costs

Net "finance" benefit

Net pension costs

Pre tax deficit

Six months to Dec 07	Six months to Dec 06
(3.7)	(3.3)
2.4	0.6
(1.3)	(2.7)
(24.9)	(70.9)

- Reduction in net cost of £1.4m
- 20 % reduction in assets held in equities in H1
- Expect minimal second half P&L saving v H2 2007 due to de-risking

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Net finance costs

£'m

Finance revenue

Finance costs

Net finance costs

Average net interest rate

% net debt at fixed interest rates

Six months to Dec 07	Six months to Dec 06	Year to Jun 07
4.0	2.8	6.1
(10.2)	(7.1)	(14.1)
(6.2)	(4.3)	(8.0)

6.5%	5.3%	5.9%
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42.1%	68.7%	64.7%
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- Increase in net finance costs primarily due to higher average net debt
- Expect full year c£15m at current debt levels

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Amortisation

£'m

Rail goodwill

Non rail intangibles

Rail intangibles

Software

Amortisation

Six months to Dec 07	Six months to Dec 06	Year to Jun 07
(1.2)	(1.2)	(2.4)
(0.6)	-	(0.3)
(2.6)	(2.6)	(4.8)
(0.5)	(0.2)	(0.9)
(4.9)	(4.0)	(8.4)

- Non rail intangible increase: Blue Triangle
- Expect full year c£11m due to London Midland rail intangibles

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Exceptional items / accounting policy

£'m

EC4T

Go West Midlands

Exceptional items

Six months to Dec 07	Six months to Dec 06	Year to Jun 07
-	-	(6.9)
(8.2)	-	-
(8.2)	-	(6.9)

Go West Midlands:

- Exceptional item - primarily goodwill and fixed asset impairments
- Reviewing options for this business

Accounting policy change:

- Return to accounting for properties at cost, rather than annual valuation
- More appropriate for our business and consistent with our peers

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Tax

£'m	Six months to Dec 07	Six months to Dec 07 excl. exceptional items	Six months to Dec 06	Year to Jun 07
Current tax	(8.4)	(10.2)	(3.6)	(19.1)
Deferred tax	(3.3)	(3.3)	(8.1)	(4.5)
Total tax	(11.7)	(13.5)	(11.7)	(23.6)

Profit before tax	45.2	53.4	46.9	94.8
<i>Tax rate</i>	<i>25.9%</i>	<i>25.3%</i>	<i>24.9%</i>	<i>24.9%</i>

Tax paid	(10.1)	(10.1)	(2.4)	(11.5)
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Earnings per share

£'m

Profit for the year

Less minority interests

Equity holders of the parent

Adjusted earnings*

Average number of shares (m)

Adjusted eps* (p)

Six months to Dec 07	Six months to Dec 06	Year to Jun 07
33.5	35.2	71.2
(8.1)	(5.8)	(12.6)
25.4	29.4	58.6
34.7	31.9	66.4
44.3	47.7	47.2
78.4p	66.9p	140.7p

- Adjusted eps + 17.2%

* before amortisation and exceptional items

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Dividends and share buybacks

£'m

Adjusted eps* (p)

Dividend declared (pence per share)

Six months to Dec 07	Six months to Dec 06	Year to Jun 07
79.2p	66.9p	140.7p
25.5p	23p	70p

- Dividend policy remains progressive, with aim to average 2x cover full year
- Buybacks: H1 2.52m shares for £65.1m, H2 to date[#] 0.8m shares for £17.8m
- Full year weighted average number of shares currently: 43.4m, outstanding currently: 42.6m

* before amortisation and exceptional items

to 8 February 2008

Go-Ahead

Summary cashflow statement

£'m	Six months to Dec 07	Six months to Dec 06	Year to Jun 07
Operating profit*	64.5	55.2	118.1
Add back depreciation	24.1	22.4	44.6
Working capital / other	3.1	0.3	28.5
Tax and net interest paid	(16.3)	(6.9)	(19.6)
Operating cashflow[#]	75.4	71.0	171.6
Net capital expenditure	(27.3)	(22.3)	(54.9)
Free cashflow	48.1	48.7	116.7
Net acquisitions	(5.1)	(9.3)	(27.2)
Dividends paid	(25.5)	(21.4)	(43.6)
Share buybacks	(65.0)	(14.6)	(51.6)
(Increase) / decrease in net debt	(47.5)	3.4	(5.7)

* before amortisation and exceptional items

after net financing cashflows

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Debt composition

£'m

Five year syndicated facility

Undrawn amount

Dec 07	Jun 07
340.0	
90.0	

Drawn under syndicated facility

Bilaterals

Other term debt

Finance leases

Gross debt

Less cash

Net debt

Increase in net debt

250.0	
	157.0
53.5	66.0
44.1	50.1
347.6	273.1
(155.6)	(128.6)
192.0	144.5
47.5	

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Debt capacity

£'m

Net Debt

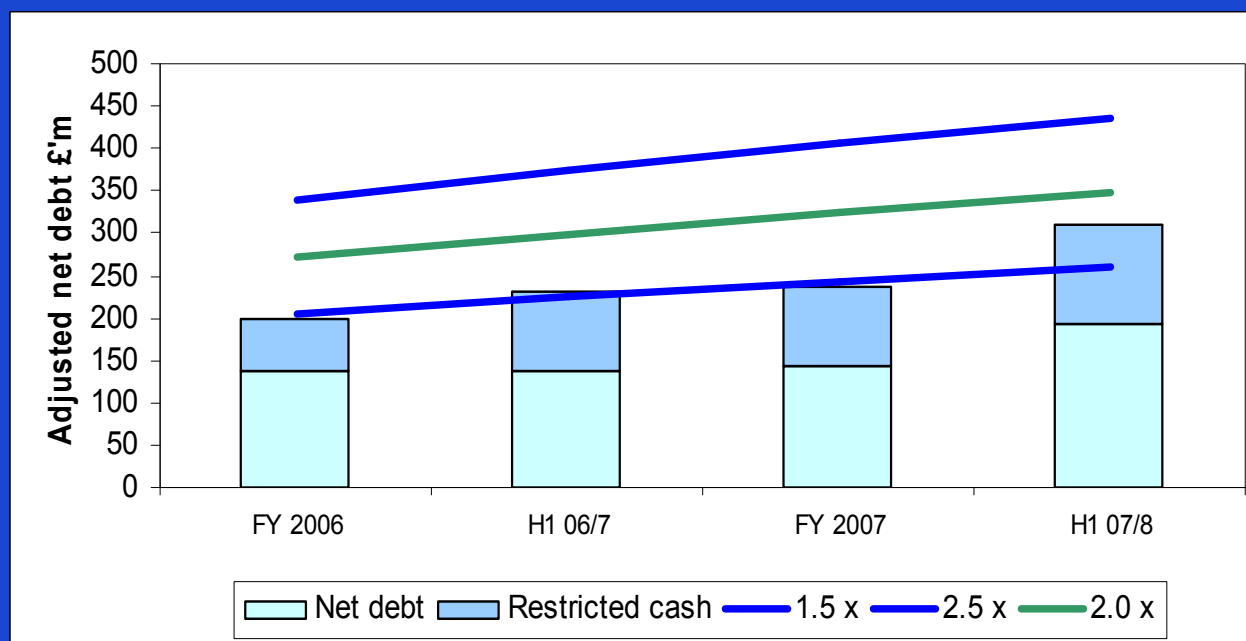
Add back restricted cash

Adjusted net debt

EBITDA (MAT basis)

Adjusted net debt / EBITDA

	Dec 07	Jun 07
Net Debt	192.0	144.5
Add back restricted cash	116.6	92.7
Adjusted net debt	308.6	237.2
EBITDA (MAT basis)	173.7	162.7
Adjusted net debt / EBITDA	1.78x	1.46 x



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Outlook H2 2007/08 (1)

Rail

- Gatwick Express transfer end May 2008. London Midland full 6 months
- ATOC Period 10 Revenue growth – 12.1% (SN), 9.2% (SE), 9.1% (LM)
- Pricing / Cost control
- Timetable changes and rolling stock



London Bus

- TfL route wins, retentions, acquisitions drive more growth
- TfL expected to continue to grow the bus network
- Metrobus contract losses – 2008/09

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Outlook H2 2007/08 (2)

Deregulated Bus

- 6 month impact of acquisitions
- OAP 1 April 2008; Appeal determinations
- On-going cost reductions / synergies

Aviation / Parking

- BA stable, new contracts in place
- New management teams - cost reduction action plans
- Aviation to return to profitability in H2
- Parking: continue H1 trend



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Summary

- Rail division growth continues, new business fully on stream in H2
- London bus growth and progress maintained in H2 with TfL route wins and acquisitions
- Deregulated bus business continues to grow, OAP scheme extended 1 April 2008
- Aviation Division to return to profitability during H2
- Continue to pursue value adding acquisitions
- Share buy-backs will continue
- Dividend Policy will remain progressive.

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Thanks

Questions and Answers

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Appendix 1: Fuel impact

Bus fuel (pence per litre)	H1 Actual	H2 Forecast	Full Year Forecast
Average market price	31	35	33
50% hedged at 29p	29	29	29
Average price to Go-Ahead	30	32	31
Prior year comparative	27	25	26
Increase (pence per litre)	3	7	5
Volume million litres	55	55	110
Additional Cost (£'m)	1.7	3.9	5.5

Appendix 2: Minority interest calculation

£'m	Six months to Dec 07
Rail operating profit*	31.4
Rail net finance costs	5.8
Rail amortisation / exceptional items	(3.8)
Rail profit before taxation	33.4
Tax	(10.2)
Rail profit after taxation	23.2
Minority interest (35%)	8.1

* before amortisation and exceptional items

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